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Five Ways to Improve Learning with Performance Management

A SumTotal Whitepaper

The convergence of learning and performance management creates an opportunity to diagnose and prescribe ways to better develop critical talent. By integrating learning and performance, organizations can more easily identify workforce trends in a more predictive manner, target organizational capability gaps, and enhance connections to build alignment with the business needs.

Whether the integration of learning and performance is driven by the organization's learning group or HR, both groups need to know how to take advantage of this convergence. This paper describes five ways that performance management can improve training initiatives:

- Producing development plans that work

- Improving leadership development programs

- Making learning opportunities more visible

- Aligning the training department to organizational needs

- Making learning and human resources more strategic

Introduction: Integrating learning and performance

When it comes to retaining critical talent, managing succession plans, and giving employees the skills they need to succeed, learning management and performance management processes need to converge.

Taking the paper out of the paperwork may be reason enough to automate performance management, but Human Resources (HR) can use performance management to maintain a strong workforce and manage talent to drive top-line performance and competitive advantage. With career and succession planning tools organizations can reduce employee turnover and maintain a strong, productive workforce.

STRATEGY

By integrating learning and performance, organizations can identify workforce trends, target gaps and build better alignment with the business.

However, an organization also needs to complement performance management with learning management that enables workers to build competitive skills and helps align employee training and career goals with business goals. The convergence of learning and performance management can significantly help an organization get the most out its workforce by helping to:

- Develop employees beyond assessments with immediate, actionable development

- Retain critical talent, develop leaders, and reduce turnover

- Control succession risk and reduce the cost of turnover

- Align employee goals with the organization's goals to optimize workforce productivity

- Link merit-based compensation to employee performance

- Automate performance and development activities and reduce administrative hassles

Whether the integration of learning and performance is driven by the organization's training group or HR, both groups need to know how to take advantage of this convergence, and in particular, how the training group can improve training initiatives with performance management.

The following are five ways that training can use performance management to help create a true talent development framework.

1. Producing development plans that work

Most organizations struggle to adopt development plans managed independently through the Learning Management System (LMS). When performance management is automated and tied into the learning process, organizations and employees alike are more likely to buy into the integrated development plan. The development plans align directly with the organization's goals and are therefore linked to the company's overall strategy. Employee engagement in prescribed learning is certain to improve when employees see how this development ties directly to their performance evaluation and merit considerations.

2. Improving leadership development programs

Leadership development is one of the most popular learning initiatives — and for good reason. Demographic shifts, increasing employee turnover, and increased specialization in the workplace all contribute to significant talent shortages. Performance management, equipped with career and succession planning tools, provide the diagnostics to zero in on the job functions and targeted individuals that need leadership development the most.

Performance management tools help the learning group systematically develop an organization's critical talent. They can complement generic leadership development programs by helping to account for roles, flight risk, and potential.

3. Making learning opportunities more visible

In most organizations, the LMS is just one of countless other applications employees need to use. Engaging employees to log in and look around can be a challenge.

However, an unanticipated benefit realized by SumTotal Learning customers who have integrated performance and learning is a significant increase in the number of individuals who sign up for optional courses.

Once mandatory processes are tied directly to salary increases, LMS usage numbers start to increase. As aspiring employees focus on competency gaps and individual development plans, they spend more time developing career plans with unsolicited development opportunities.

4. Aligning training more to organizational needs

In many organizations, budgets allocated for learning and development are among the first to be cut during a recession. An effective way for a training group to change this fact is to prove how training programs directly relate to organizational strategy.

With integrated performance management, talent development professionals can see precisely which development is needed most. Aggregated review data, showing competency gaps and aligned strategic initiatives, highlight the areas where learning and development groups should focus. It thus becomes easier for the training group to justify the significance of talent development within the organizational strategy. Many companies that have integrated learning and performance have been able to drastically improve their ability to forecast for and anticipate formal development needs.

5. Linking training and HR for strategic value

When learning and performance functions converge to create a true talent development framework, both functions benefit by becoming more relevant to supporting the organization's critical strategy.

Traditional organizational development activities important to the business, such as managing mandatory compliance and certifications, are improved by automated tracking and reporting. But there are other strategic areas of the business that need strong formal and informal learning. These include many pressing talent management issues: retaining critical talent, managing succession plans, and giving employees the skills they need to succeed. Truly actionable talent development is only feasible when performance management and learning management converge.

Conclusion: Applying the benefits of integrated learning and performance

The convergence of learning and performance management creates an opportunity to diagnose and prescribe ways to better develop critical talent. Strategic integration enables organizations to more easily identify workforce trends in a more predictive manner, target organizational capability gaps, and enhance connections to build alignment with the business needs. The integration enables organizations to put together actionable leadership development programs for key employees, so they'll be better prepared for promotion.

SumTotal's learning management system (LMS) solutions are part of our industry-leading unified talent development software suite, which helps organizations build a complete platform for developing more competitive employee skills. Training organizations can take advantage of our complete, best-of-breed talent development solution to make their businesses better — by making the employees better.

More Information

For more information, send an email to **connect@sumtotalsystems.com**

About SumTotal

SumTotal Systems, Inc. is the global leader in complete learning and talent management software that enables organizations to more effectively drive business strategy and growth. Recognized by industry analysts as the most comprehensive solution, SumTotal provides full employee lifecycle management, including a core system of record, from a single provider for improved business intelligence. The company offers customers of all sizes and in all industries the most flexibility and choice with multiple purchase, configuration, and deployment options. We have increased the performance of the world's largest organizations including Sony Electronics (NYSE: SNE), AstraZeneca (NYSE: AZN [ADR]; London: AZN), Amway, GKN (London: GKN), and Seagate (NYSE: STX).

For more information, or to request a demo, please call +1 (866) 768-6825 (US / Canada), +1 (352) 264-2800 (international) or visit **www.sumtotalsystems.com**

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